



CORPORATION OF TEXAS

April 23, 1992

Received 5/4/92 c
Fiesta Texas Mgmt. Inc.

Mr. Richard Burlazzi
Fiesta Texas Theme Park, Ltd
c/o USAA Real Estate Company
8000 Robert F. McDermott Frwy. #600
San Antonio, TX 78230-3884

Re: Project 6A01
Fiesta Texas
Theme Park
San Antonio, Tx

COPY: Doug Leonhard Ken Rector
5/5/92 - Ken Smith. Gary Hall
- Roger Garcia Dave Slayde
- Keith Sanders

Dear Dick:

On April 13, 1992, I sent to Keith Sanders, with copy for USAA via Gary Hall, a letter requesting that Fiesta Texas work with us on releasing a portion of our retainage on the coaster in order to pay the current billings of suppliers and subcontractors. These outstanding bills have, for the most part, accrued since February and March, 1992, from those who have provided materials and/or labor to the coaster job.

Dick, we did not make this request lightly nor have we tried to hide anything from our client, Fiesta Texas/USAA. We also have not syphoned off profits from this project. We have honestly committed in excess of \$300,000 into the job, more than we expected in January and early February, necessary in order to complete. We, as you, fully expected to be able to complete and test the Ride by January 9, 1992. However, even up until February 17, 1992, we still had 80-85 workmen employed and until April 17, 1992, 30-40. Just last week were we able to reduce our workforce to 12 workmen necessary to finish.

We also did not like having to make this type request of our client -- early release of retainage. However, I feel that paying the suppliers and subcontractors who have aided and contributed to the success of this great attraction supersedes our personal feelings and even those of our client. If we had not accomplished the mission with the attraction and it was not successful, then indeed we would have another matter entirely to deal with, and we would have an unworkable situation on our hands at this stage of the project.

PC 1704

P.O. Box 888506, Atlanta, Georgia 30356-0506 / (404) 448-7197

MAY 5 1992 11:28 FROM FIESTA TX CONSULTANTS

We at RCCT have been, we feel, a good contractor for our client, USAA and Opryland. Besides designing and building what we think and others will also, as the attraction gains exposure, the finest wooden roller coaster in the world, (and our client should expect no less, as this is what USAA and Opryland contracted), we have also been a good contractor in other significant and important ways.

I feel this is so for the following reasons, and maybe this is the time to remind you of some of the things which happened along the way and things we did for our client in delivering this project in the manner in which it was accomplished.

Our only real disagreement (temporarily, because it is settled now) involved the cost of the foundations.

Here's some of the facts and conditions with which we have dealt with in designing and constructing the Ride. We have not cried-out along the way and demanded of our client, USAA/Opryland, extras, more money, delays or impacts. Hopefully this means something to you also:

1. Additional Work Performed

RCCT performed in excess of \$608,000 worth of additional work to the contract, still had the Ride ready to operate the very day it was required to do so and did not request of our client additional funds due to extended overhead, or acceleration.

2. Extremely Wet Weather

RCCT performed some of the most intense and critical phases of the work during the extremely wet weather experienced by us all in San Antonio. We did not come back at our client with claims for more time or more money.

3. Shifting the Lift Structure

One of the concerns of the Owner project management team was that this Coaster Ride remain the record holder in all the intended categories, for at least the season it opened: height of drop, steepness of angle, height of structure above the ground, highest continuous wood bent member, and speed. In order to respond to this concern and as we saw it, directive, our designer proposed to shift the lift structure forward over the cliff approximately 70 feet. We submitted the proposal to accomplish this on November 8, 1990.

PC 1705

The initial results achieved the intended purposes in the statistics department. The initial results of the change also caused the ride to be lengthened at least, we thought at the time, 80-90 feet. Later due to having to move the helix back from the cliff edge and having to lengthen the track in the station area, ultimately the coaster became 280 feet longer than we originally proposed and priced. The Station height also had to be raised.

Dick, figuring an overall average foot cost of \$1,000 per running foot, the coaster could justifiably have cost an additional \$275,000. RCCT did not attempt nor even ask our client for this or even a portion of it. I have allowed for the costs of the foundation and other fixed costs, such as the station, electrical, drive system and trains in the estimate.

Now, we (RCCT) seem to be expected and are bearing the brunt of other unanticipated results of moving the lift structure forward -- questionable excess g-forces. We have and are spending approximately \$75,000 in track adjustments and installing sophisticated check brakes to attempt to control these forces for our client. There is even an undercurrent prevailing that RCCT will be expected to provide additional brakes and a booster wheel system, or even more extreme measures, like re-profiling the drop. To date we have purchased six additional Morgan brake units. Our contract allowed for 20.

4. Simplicity of Controls

This has not cost us money yet, however, there has been criticism voiced to us about the lack of a sophisticated computerized control system for the Ride, and the options that go along with it, such as speed sensing, diagnostics, climactic reporting, etc.

Dick, the program for the control system on this ride "was to keep it simple." We did, it works, and it saved our client at least \$75,000 and possibly as high as \$150,000 in initial costs.

5. Remote Maintenance and Storage Facility

- Due to the complexity of the Station area and the interaction of other rides and infrastructure, we allowed our client complete flexibility in locating the maintenance and storage facility. As you know, it is remotely located from the station and required an extensive steel bridge over the access road, all at substantial cost to RCCT. Here again, we did not attempt to pass these additional costs (\$50,000+/-) on to our client.

PC 1706

6. Greatest Wooden Coaster Drop vs. Good Family Ride

We have all made light of the program challenges and charge we were given at the beginning of the development of this project. That being, to design and build the greatest, highest, steepest, fastest, most unique wooden roller coaster in the world; and at the same time, make it a nice, smooth, acceptable family ride!

These two program criteria are really mutually exclusive and virtually impossible to accomplish. Yet, many knowledgeable coaster experts feel that this Ride comes nearer to accomplishing this than anyone really had a right to expect.

RCCT has spent many thousands of dollars in this attempt and are continuing daily to do so. Look at this in the light of the quarry cliff site and this is truly a unique amusement attraction! We are all to be congratulated and no theme park will ever come close to accomplishing a similar attraction, and most definitely not within \$2.5 - 3.0 million of what USAA/Opryland spent.

Dick, my purpose in writing this to you is to let you know that we have made substantial accommodations and contributions to our client for their cost containment benefit and for the overall success of the Ride. Couple all this with the additional cost over-runs we experienced in the Station and on the electrical systems which we have absorbed, and it is no great feat to figure out how we came up short here at the end of the project.

I answered to Keith Sanders the other day when he asked me about what kind of job we had, that we did make a fair profit, we are satisfied with it. It could have been more, but that is the construction business, as you surely know as a major U.S. developer.

What we ask of you, our client, is that you now work with us, allow the retainage to be reduced to pay these companies; joint checks similar to the other two you prepared will, of course be acceptable. Our concern is to get these companies paid as soon as possible.

The only other thing that I think needs to be said herein is that RCCT has performed its contractual obligations and our client does not need to be hesitant to pay us. If this Ride requires anything further other than what we have currently committed, it will be beyond the scope of the contract.

PC 1707

We thank you for the consideration of our request. You and we have modified the strict terms of the contract when one of us had need. We appreciate a client who is willing to do this and that is one of the main reasons why we have gone beyond the distance for you, USAA/Opryland on this project.

Sincerely,

ROLLER COASTER CORPORATION
OF TEXAS


Michael M. Black

MMB:es

PC 1708

MR. RICHARD BUELAZZI

Peasant

PC 1709